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10
 11 *Designated solely for personal service
 pursuant to District of Nevada LR IA 11-1(b)*

12 Attorneys for Plaintiff
 13 EVANSTON INSURANCE COMPANY

14 **UNITED STATES DISTRICT COURT**

15 **DISTRICT OF NEVADA**

16 EVANSTON INSURANCE COMPANY, a
 17 company organized under the laws of the
 State of Illinois,

Case No.:

18 Plaintiff,

**EVANSTON INSURANCE
 COMPANY'S COMPLAINT IN
 INTERPLEADER**

19 vs.

20 AFFINITYLIFESTYLES.COM, INC. d/b/a
 21 REAL WATER, a Nevada Corporation; REAL
 22 WATER, INC., a Delaware Corporation; REAL
 23 WATER OF TENNESSEE, LLC; COSTCO
 24 WHOLESALE CORPORATION, a
 Washington corporation; KEHE
 25 DISTRIBUTORS, INC.; KEHE
 26 DISTRIBUTORS OF NEVADA, LLC, a
 Delaware limited liability company; NEVADA
 27 BEVERAGE CO., a Nevada corporation;
 BRYAN ABELE, individually; SANDRA
 28 ABELE, individually; T.A., a minor child, by
 and through his parents, BRYAN and
 SANDRA ABELE; ALLON ADAR-BURLA,

1 individually; AGNES ALEKSANDER,
2 individually; PETER ANTHONY ARAMBULA,
3 individually; YVONNE ARNONE, individually;
4 SYLVIA ATANSOVA, individually; RICHARD
5 BELSKY, individually; KRISTINA A. ALLAN,
6 formerly KRISTINA A. BIENEK, individually;
7 STEPHAN BONNAR, individually; ANDRIA
8 BORDENAVE, individually; JEREME BOTIZ,
9 individually; CATHERINE BRITTON,
10 individually; MIRIAM BRODY, individually;
11 HUNTER BROWN, individually; PAMELA
12 BROWN, individually; SARAH CALLOVI,
13 individually; ARIKA CARRIER, individually;
14 RYAN CARRIER, individually; H.C., a minor
15 child, by and through her parents ARIKA and
16 RYAN CARRIER; F.C., a minor child, by and
17 through his parents ARIKA and RYAN
18 CARRIER; NICOLE CHANG, individually;
19 CRYSTAL CHOBAK, individually; JENNA
20 CONSIGLIO, individually; NIEGAL DAVIS-
21 RICHARD, individually; JAMES J. DELMAR,
22 individually; VANYA DIAZ, individually;
23 TYLER DIELMANN, individually; KATHLEEN
24 GACIAS, individually; MATTHEW
25 GONZALEZ, individually; TINA
26 HARTSHORN, individually; TIQUIONTE
27 HENRY, individually; JUAN DWAYNE HIGH,
28 individually; JAMES HU, individually; MYLES
HUNWARDSEN, individually; ESTATE OF
MILO HURST; TEVIS HURST, individually
and as Administratrix of the ESTATE OF
MILO HURST; YANIV ITTAH, as Special
Administrator of the ESTATE OF ADIR ITTAH
(DECEDENT); BLAIN JONES, individually;
CINDY JONES, individually; LORRAINE A.
KALAYANAPRAPRUIT, individually;
KOUROSH KAVEH, individually; JILL RAW,
individually; L.K., a minor child, by and
through her parents KOUROSH KAVEH and
JILL RAW; LISA KING, individually; JOHN
KURHANEWICZ, individually; SHELBY
KURHANEWICZ, individually; GINGER
LAND-VAN BUREN, individually; VINCENT
LINKE, individually; CARY MANO,
individually; JOSE MARTINEZ, individually;
GRAY MAYNARD, individually; ROBERT L.
MCGOVERN, individually; RUDY MORALES,
individually; JORGE MORALES, individually;
S.M., a minor child, by and through his father

1 JORGE MORALES; KARLA MORENO,
2 individually; CHRISTIAN MORIMANDO,
3 individually; GLEN MORRIS, individually;
4 LORENZO MUNIZ, individually; CHERYL
5 NALLY, individually; MONICA BRANCH
6 NOTO, individually; ABRAHAM ENRIQUE
7 OLVERA, individually; BRENDA ALANIZ, as
8 Guardian Ad Litem for ABRAHAM ENRIQUE
9 OLVERA; BRUCE PARENT, individually;
10 ANDREA PROKOVA, individually; CHERI
11 RASMUSSEN, individually; JESCE RICHT,
12 individually; JUDITH RYERSON, as Special
13 Administratrix of the ESTATE OF KATHLEEN
14 RYERSON and as heir of KATHLEEN
15 MUSTAIN RYERSON (DECEDENT);
16 RICHARD RYERSON, as heir of KATHLEEN
17 MUSTAIN RYERSON (DECEDENT);
18 PATRICIA SUTHERLAND, as heir of
19 KATHLEEN MUSTAIN RYERSON
20 (DECEDENT); JAZMIN SCHAFFER,
21 individually; CANDICE SHARAPOV,
22 individually; NIKOLAY SHARAPOV,
23 individually; L.S., a minor child, by and
24 through his parents CANDICE and NIKOLAY
25 SHARAPOV; Z.S., a minor child, by and
26 through her parents CANDICE and NIKOLAY
27 SHARAPOV; CHRISTINA SOSA, individually;
28 CAROLYN STRONG, individually; LI CHING
TAO, individually; DANIEL TAYLOR,
individually; JOSEPH TEGANO, individually;
NATHAN VINCELETTE, individually;
MONICA VOZZA, individually; STEVEN
WADKINS, individually; DAISY WEI,
individually; SANTEE WILLIAMS, individually;
L.Y.W., a minor child by and through her
mother SANTEE WILLIAMS; L.O.W., a minor
child by and through her mother SANTEE
WILLIAMS; BRANDY WREN, individually;
CHRISTOPHER BRIAN WREN, individually;
EMELY WREN, individually; C.N.W., a minor
child by and through his Guardian Ad Litem
CHRISTOPHER BRIAN and EMELY WREN;
GRACIE ZIMMERMAN, individually, and
DOES 1 through 100, inclusive,

27
28
Defendants.

1 Plaintiff Evanston Insurance Company (“Evanston” or “Plaintiff”), by and through
2 its attorneys, brings this Complaint in Interpleader and states as follows:

3 **I. NATURE OF THE ACTION**

4 1. Evanston seeks to interplead its full \$1,000,000 liability limit for the
5 excess insurance policy it issued to Real Water, Inc. This amount is being interplead
6 based on the many competing and conflicting claims pending against Real Water, Inc.
7 (“RWI”), Real Water of Tennessee, Inc. (“RWT”) and Affinitylifestyles.com, Inc. d/b/a
8 Real Water (“Affinity”) (collectively with RWI and RWT, “Real Water Entities”) made by
9 dozens of individuals who each allege they suffered bodily injuries upon consuming a
10 product called “Real Alkalized Water.” Some individuals have obtained judgments
11 against Real Water, and additional claims are scheduled for trial to begin in the coming
12 months. Real Water stipulated to liability in the cases that have gone to verdict so far,
13 thus focusing the cases on damages. On information and belief, each of these
14 individuals claim an interest in the proceeds from the insurance policy interpled
15 (“Insurance Proceeds”).

16 2. The Real Water Entities are consolidated Debtors that filed a Petition in
17 Nevada Bankruptcy Court, Case No.: 21-14099-nmc, for relief pursuant to Chapter 7 of
18 the Bankruptcy Code.

19 3. On August 9, 2024, Insurers Ohio Security Insurance Company, Peerless
20 Indemnity Insurance Company, The Ohio Casualty Insurance Company, and West
21 American Insurance Company (“Liberty Insurers”) filed a declaratory relief action in
22 order to obtain a judicial determination of their rights and obligations under the policies
23 issued by them to Real Water. See *Ohio Security Insurance Company, et al. v.*
24 *Affinitylifestyles.com, Inc., et al*, No. 23-01082, ECF No. 1 (Bankr. D. Nev. April 12,
25 2023) (“Adversary Proceeding”). Liberty Insurers moved to interplead into the court the
26 full remaining aggregate limits of their liability insurance policies. Adversary
27 Proceeding, ECF No. 23.

1 4. Evanston issued a liability policy to RWI that is excess of at least one of
2 the Liberty Insurers' policies. As an excess carrier, Evanston's policy is not triggered
3 unless and until the underlying layers of insurance are first exhausted.

4 5. On January 28, 2025, Evanston moved to intervene in the Adversary
5 Proceeding so that, in the event the bankruptcy court allowed the Liberty Insurers to
6 interplead their Insurance Proceeds, Evanston would also be permitted to interplead its
7 full \$1,000,000 excess liability limit.

8 6. On March 11, 2025, the bankruptcy court entered an order dismissing the
9 Adversary Proceeding for lack of bankruptcy court jurisdiction and denied Evanston's
10 motion to intervene as moot. *See Order Granting Motion to Dismiss or, Alternatively,*
11 *Motion to Abstain*, Adversary Proceeding ECF No. 115. In so doing, the bankruptcy
12 court determined that the automatic stay of litigation imposed by 11 U.S.C. § 362(a) is
13 not applicable to Evanston's interpleader of its policy proceeds. Thus, Evanston is
14 permitted to pursue its interpleader action in any nonbankruptcy court of competent
15 jurisdiction.

16 7. By interpleading the full policy limit for the Evanston excess policy,
17 Evanston seeks to disavow its interest in the Insurance Proceeds to be interpleaded
18 and to proceed immediately with a disbursal of the policy proceeds to the individual
19 claimants in respective amounts to be determined by this Court.

20 **II. PARTIES**

21 8. Plaintiff Evanston Insurance Company is a company organized under the
22 laws of the State of Illinois with its principal place of business in Illinois.

23 9. Upon information and belief, and at all times relevant herein, Defendant
24 Affinitylifestyles.com, Inc. d/b/a Real Water was and is a corporation organized and
25 existing under the laws of Nevada and with its principal place of business in Las Vegas,
26 Nevada.

1 10. Upon information and belief, and at all times relevant herein, Defendant
2 Real Water, Inc. is a corporation organized and existing under the laws of Delaware
3 and with its principal place of business in Mesa, Arizona.

4 11. Upon information and belief, and at all times relevant herein, Defendant
5 Real Water of Tennessee, LLC is a limited liability company organized and existing
6 under the laws of Delaware and with its principal place of business in Mesa, Arizona.

7 12. Upon information and belief, and at all times relevant herein, Defendant
8 Costco Wholesale Corporation is a corporation organized and existing under the laws
9 of Washington and with its principal place of business in Issaquah, Washington.

10 13. Upon information and belief, and at all times relevant herein, Defendant
11 KeHE Distributors, Inc. is a corporation organized and existing under the laws of
12 Delaware and with its principal place of business in Naperville, Illinois.

13 14. Upon information and belief, and at all times relevant herein, Defendant
14 KeHE Distributors, LLC, also known as KeHE Distributors of Nevada, LLC, is a limited
15 liability company organized and existing under the laws of Delaware and with its
16 principal place of business in Naperville, Illinois.

17 15. Upon information and belief, and at all times relevant herein, Defendant
18 Nevada Beverage Co. is a corporation organized and existing under the laws of
19 Nevada and with its principal place of business in Las Vegas, Nevada.

20 **TORT CLAIMANTS**

21 The following Tort Claimants, identified as defendants in the Liberty Plaintiffs'
22 Adversary Complaint and the Liberty Interpleader Complaint, are also listed here as
23 defendants:

24 16. Evanston is informed and believes, and thereon alleges, that Defendant
25 Bryan Abele, an individual, is and was at all relevant times a resident of and domiciled
26 in Nevada.

1 17. Evanston is informed and believes, and thereon alleges, that Defendant
2 Sandra Abele, an individual, is and was at all relevant times a resident of and domiciled
3 in Nevada.

4 18. Evanston is informed and believes, and thereon alleges, that Defendant
5 T.A., a minor child, by and through his parents, Bryan and Sandra Abele, is and was at
6 all relevant times a resident of and domiciled in Nevada.

7 19. Evanston is informed and believes, and thereon alleges, that Defendant
8 Alon Adar-Burla, an individual, is and was at all relevant times a resident of and
9 domiciled in Nevada.

10 20. Evanston is informed and believes, and thereon alleges, that Defendant
11 Agnes Aleksander, an individual, is and was at all relevant times a resident of and
12 domiciled in Nevada.

13 21. Evanston is informed and believes, and thereon alleges, that Defendant
14 Peter Anthony Arambula, an individual, is and was at all relevant times a resident of
15 and domiciled in Nevada.

16 22. Evanston is informed and believes, and thereon alleges, that Defendant
17 Yvonne Arnone, an individual, is and was at all relevant times a resident of and
18 domiciled in Nevada.

19 23. Evanston is informed and believes, and thereon alleges, that Defendant
20 Sylvia Atansova, an individual, is and was at all relevant times a resident of and
21 domiciled in Nevada.

22 24. Evanston is informed and believes, and thereon alleges, that Defendant
23 Richard Belsky, an individual, is and was at all relevant times a resident of and
24 domiciled in Nevada.

25 25. Evanston is informed and believes, and thereon alleges, that Defendant
26 Kristina A. Allan, an individual, is and was at all relevant times a resident of and
27 domiciled in Nevada.

1 26. Evanston is informed and believes, and thereon alleges, that Defendant
2 Stephan Bonnar, an individual, is and was at all relevant times a resident of and
3 domiciled in Nevada.

4 27. Evanston is informed and believes, and thereon alleges, that Defendant
5 Andria Bordenave, an individual, is and was at all relevant times a resident of and
6 domiciled in Nevada.

7 28. Evanston is informed and believes, and thereon alleges, that Defendant
8 Jereme Botiz, an individual, is and was at all relevant times a resident of and domiciled
9 in Nevada.

10 29. Evanston is informed and believes, and thereon alleges, that Defendant
11 Catherine Britton, an individual, is and was at all relevant times a resident of and
12 domiciled in Nevada.

13 30. Evanston is informed and believes, and thereon alleges, that Defendant
14 Miriam Brody, an individual, is and was at all relevant times a resident of and domiciled
15 in Nevada.

16 31. Evanston is informed and believes, and thereon alleges, that Defendant
17 Hunter Brown, an individual, is and was at all relevant times a resident of and domiciled
18 in Nevada.

19 32. Evanston is informed and believes, and thereon alleges, that Defendant
20 Pamela Brown, an individual, is and was at all relevant times a resident of and
21 domiciled in Nevada.

22 33. Evanston is informed and believes, and thereon alleges, that Defendant
23 Sarah Callovi, an individual, is and was at all relevant times a resident of and domiciled
24 in Nevada.¹

25 34. Evanston is informed and believes, and thereon alleges, that Defendant
26 Arika Carrier, an individual, is and was at all relevant times a resident of and domiciled
27 in Nevada.

28 ¹ Per the Kemp Jones law firm, claimant Callovi intends on filing a claim against Affinity and RWI.

1 35. Evanston is informed and believes, and thereon alleges, that Defendant
2 Ryan Carrier, an individual, is and was at all relevant times a resident of and domiciled
3 in Nevada.

4 36. Evanston is informed and believes, and thereon alleges, that Defendant
5 H.C., a minor child, by and through her parents, Arika and Ryan Carrier, is and was at
6 all relevant times a resident of and domiciled in Nevada.

7 37. Evanston is informed and believes, and thereon alleges, that Defendant
8 F.C., a minor child, by and through his parents, Arika and Ryan Carrier, is and was at
9 all relevant times a resident of and domiciled in Nevada.

10 38. Evanston is informed and believes, and thereon alleges, that Defendant
11 Nicole Chang, an individual, is and was at all relevant times a resident of and domiciled
12 in Nevada.

13 39. Evanston is informed and believes, and thereon alleges, that Defendant
14 Crystal Chobak, an individual, is and was at all relevant times a resident of and
15 domiciled in Nevada.

16 40. Evanston is informed and believes, and thereon alleges, that Defendant
17 Jenna Consiglio, an individual, was at all relevant times a resident of Nevada and is
18 currently a resident of and domiciled in North Dakota.

19 41. Evanston is informed and believes, and thereon alleges, that Defendant
20 Niegal Davis-Richard, an individual, is and was at all relevant times a resident of and
21 domiciled in Nevada.

22 42. Evanston is informed and believes, and thereon alleges, that Defendant
23 James J. Delmar, an individual, is and was at all relevant times a resident of and
24 domiciled in Nevada.

25 43. Evanston is informed and believes, and thereon alleges, that Defendant
26 Vanya Diaz, an individual, is and was at all relevant times a resident of and domiciled
27 in Nevada.

1 44. Evanston is informed and believes, and thereon alleges, that Defendant
2 Tyler Dielmann, an individual, was at all relevant times a resident of California and is
3 currently a resident of and domiciled in New York.

4 45. Evanston is informed and believes, and thereon alleges, that Defendant
5 Kathleen Gacias, an individual, is and was at all relevant times a resident of and
6 domiciled in California.

7 46. Evanston is informed and believes, and thereon alleges, that Defendant
8 Matthew Gonzalez, an individual, is and was at all relevant times a resident of and
9 domiciled in Nevada.

10 47. Evanston is informed and believes, and thereon alleges, that Defendant
11 Tina Hartshorn, an individual, is and was at all relevant times a resident of and
12 domiciled in Nevada.

13 48. Evanston is informed and believes, and thereon alleges, that Defendant
14 Tiquionte Henry, an individual, is and was at all relevant times a resident of and
15 domiciled in Nevada.

16 49. Evanston is informed and believes, and thereon alleges, that Defendant
17 Juan Dwayne High, an individual, is and was at all relevant times a resident of and
18 domiciled in Nevada.

19 50. Evanston is informed and believes, and thereon alleges, that Defendant
20 James Hu, an individual, is and was at all relevant times a resident of and domiciled in
21 Nevada.

22 51. Evanston is informed and believes, and thereon alleges, that Defendant
23 Myles Hunwardsen, an individual, is and was at all relevant times a resident of and
24 domiciled in Nevada.

25 52. Evanston is informed and believes, and thereon alleges, that Defendant
26 Tevis Hurst, as an individual and as Administratrix of the Estate of Milo Hurst, is and
27 was at all relevant times a resident of and domiciled in Nevada.²

28 ² Per the Kemp Jones law firm, claimant Hurst intends on filing a claim against Affinity and RWI.

1 53. Evanston is informed and believes, and thereon alleges, that Defendant
2 Yaniv Ittah, as special administrator of the Estate of Adir Ittah, is and was at all relevant
3 times a resident of and domiciled in Nevada.

4 54. Evanston is informed and believes, and thereon alleges, that Defendant
5 Blain Jones, an individual, is and was at all relevant times a resident of and domiciled
6 in Nevada.

7 55. Evanston is informed and believes, and thereon alleges, that Defendant
8 Cindy Jones, an individual, is and was at all relevant times a resident of and domiciled
9 in Nevada.

10 56. Evanston is informed and believes, and thereon alleges, that Defendant
11 Lorraine A. Kalayanaprapruit, an individual, is and was at all relevant times a resident
12 of and domiciled in Nevada.

13 57. Evanston is informed and believes, and thereon alleges, that Defendant
14 Kourosh Kaveh, an individual, is and was at all relevant times a resident of and
15 domiciled in Nevada.

16 58. Evanston is informed and believes, and thereon alleges, that Defendant
17 Jill Raw, an individual, is and was at all relevant times a resident of and domiciled in
18 Nevada.

19 59. Evanston is informed and believes, and thereon alleges, that Defendant
20 L.K., a minor child, by and through her parents Kourosh Kaveh and Jill Raw, is and was
21 at all relevant times a resident of and domiciled in Nevada.

22 60. Evanston is informed and believes, and thereon alleges, that Defendant
23 Lisa King, an individual, is and was at all relevant times a resident of and domiciled in
24 Nevada.

25 61. Evanston is informed and believes, and thereon alleges, that Defendant
26 John Kurhanewicz, an individual, is and was at all relevant times a resident of and
27 domiciled in California.

1 62. Evanston is informed and believes, and thereon alleges, that Defendant
2 Shelby Kurhanewicz, an individual, is and was at all relevant times a resident of and
3 domiciled in California.

4 63. Evanston is informed and believes, and thereon alleges, that Defendant
5 Ginger Land-Van Buren, an individual, is and was at all relevant times a resident of and
6 domiciled in Nevada.

7 64. Evanston is informed and believes, and thereon alleges, that Defendant
8 Vincent Linke, an individual, is and was at all relevant times a resident of and domiciled
9 in Nevada.

10 65. Evanston is informed and believes, and thereon alleges, that Defendant
11 Cary Mano, an individual, is and was at all relevant times a resident of and domiciled in
12 Nevada.

13 66. Evanston is informed and believes, and thereon alleges, that Defendant
14 Jose Martinez, an individual, is and was at all relevant times a resident of and
15 domiciled in Nevada.

16 67. Evanston is informed and believes, and thereon alleges, that Defendant
17 Gray Maynard, an individual, is and was at all relevant times a resident of and
18 domiciled in Michigan.

19 68. Evanston is informed and believes, and thereon alleges, that Defendant
20 Robert L. McGovern, an individual, is and was at all relevant times a resident of and
21 domiciled in Nevada.

22 69. Evanston is informed and believes, and thereon alleges, that Defendant
23 Rudy Morales, an individual, is and was at all relevant times a resident of and
24 domiciled in Nevada.

25 70. Evanston is informed and believes, and thereon alleges, that Defendant
26 Jorge Morales, an individual, is and was at all relevant times a resident of and
27 domiciled in Nevada.

1 71. Evanston is informed and believes, and thereon alleges, that Defendant
2 S.M., a minor child, by and through his father Jorge Morales, is and was at all relevant
3 times a resident of and domiciled in Nevada.

4 72. Evanston is informed and believes, and thereon alleges, that Defendant
5 Karla Moreno, an individual, is and was at all relevant times a resident of and domiciled
6 in Nevada.

7 73. Evanston is informed and believes, and thereon alleges, that Defendant
8 Christian Morimando, an individual, is and was at all relevant times a resident of and
9 domiciled in Nevada.

10 74. Evanston is informed and believes, and thereon alleges, that Defendant
11 Glen Morris, an individual, is and was at all relevant times a resident of and domiciled
12 in Nevada.

13 75. Evanston is informed and believes, and thereon alleges, that Defendant
14 Lorenzo Muniz, an individual, is and was at all relevant times a resident of and
15 domiciled in Nevada.

16 76. Evanston is informed and believes, and thereon alleges, that Defendant
17 Cheryl Nally, an individual, is and was at all relevant times a resident of and domiciled
18 in Oregon.

19 77. Evanston is informed and believes, and thereon alleges, that Defendant
20 Monica Branch Noto, an individual, is and was at all relevant times a resident of and
21 domiciled in Nevada.

22 78. Evanston is informed and believes, and thereon alleges, that Defendant
23 Abraham Enrique Olvera, is and was at all relevant times a resident of and domiciled in
24 Nevada.

25 79. Evanston is informed and believes, and thereon alleges, that Defendant
26 Brenda Alaniz, an individual, is and was at all relevant times a resident of and
27 domiciled in Nevada.

1 80. Evanston is informed and believes, and thereon alleges, that Defendant
2 Bruce Parent, an individual, is and was at all relevant times a resident of and domiciled
3 in Nevada.

4 81. Evanston is informed and believes, and thereon alleges, that Defendant
5 Andrea Prokova, an individual, is and was at all relevant times a resident of and
6 domiciled in Nevada.

7 82. Evanston is informed and believes, and thereon alleges, that Defendant
8 Cheri Rasmussen, an individual, is and was at all relevant times a resident of and
9 domiciled in Nevada.

10 83. Evanston is informed and believes, and thereon alleges, that Defendant
11 Jesce Richt, an individual, is and was at all relevant times a resident of and domiciled
12 in Nevada.

13 84. Evanston is informed and believes, and thereon alleges, that Defendant
14 Judith Ryerson, as Special Administratrix of the Estate of Kathleen Ryerson and as heir
15 of Kathleen Mustain Ryerson, deceased, is and was at all relevant times a resident of
16 and domiciled in Nevada.

17 85. Evanston is informed and believes, and thereon alleges, that Defendant
18 Richard Ryerson, as heir of Kathleen Mustain Ryerson, deceased, is and was at all
19 relevant times a resident of and domiciled in Wisconsin.

20 86. Evanston is informed and believes, and thereon alleges, that Defendant
21 Patricia Sutherland, as heir of Kathleen Mustain Ryerson, deceased, is and was at all
22 relevant times a resident of and domiciled in Nevada.

23 87. Evanston is informed and believes, and thereon alleges, that Defendant
24 Jazmin Schaffer, an individual, is and was at all relevant times a resident of and
25 domiciled in Nevada.

26 88. Evanston is informed and believes, and thereon alleges, that Defendant
27 Candice Sharapov, an individual, is and was at all relevant times a resident of and
28 domiciled in Nevada.

1 89. Evanston is informed and believes, and thereon alleges, that Defendant
2 Nikolay Sharapov, an individual, is and was at all relevant times a resident of and
3 domiciled in Nevada.

4 90. Evanston is informed and believes, and thereon alleges, that Defendant
5 L.S., a minor child, by and through his parents Candice and Nikolay Sharapov, is and
6 was at all relevant times a resident of and domiciled in Nevada.

7 91. Evanston is informed and believes, and thereon alleges, that Defendant
8 Z.S., a minor child, by and through her parents Candice and Nikolay Sharapov, is and
9 was at all relevant times a resident of and domiciled in Nevada.

10 92. Evanston is informed and believes, and thereon alleges, that Defendant
11 Christina Sosa, an individual, is and was at all relevant times a resident of and
12 domiciled in Nevada.

13 93. Evanston is informed and believes, and thereon alleges, that Defendant
14 Carolyn Strong, an individual, is and was at all relevant times a resident of and
15 domiciled in California.

16 94. Evanston is informed and believes, and thereon alleges, that Defendant
17 Li Ching Tao, an individual, is and was at all relevant times a resident of and domiciled
18 in Nevada.

19 95. Evanston is informed and believes, and thereon alleges, that Defendant
20 Daniel Taylor, an individual, is and was at all relevant times a resident of and domiciled
21 in Nevada.

22 96. Evanston is informed and believes, and thereon alleges, that Defendant
23 Joseph Tegano, an individual, is and was at all relevant times a resident of and
24 domiciled in Nevada.

25 97. Evanston is informed and believes, and thereon alleges, that Defendant
26 Nathan Vincelette, an individual, is and was at all relevant times a resident of and
27 domiciled in Nevada.

1 98. Evanston is informed and believes, and thereon alleges, that Defendant
2 Monica Vozza, an individual, is and was at all relevant times a resident of and
3 domiciled in Nevada.

4 99. Evanston is informed and believes, and thereon alleges, that Defendant
5 Steven Wadkins, an individual, is and was at all relevant times a resident of and
6 domiciled in Nevada.

7 100. Evanston is informed and believes, and thereon alleges, that Defendant
8 Daisy Wei, an individual, is and was at all relevant times a resident of and domiciled in
9 Nevada.

10 101. Evanston is informed and believes, and thereon alleges, that Defendant
11 Santee Williams, an individual, is and was at all relevant times a resident of and
12 domiciled in Nevada.

13 102. Evanston is informed and believes, and thereon alleges, that Defendant
14 L.Y.W., a minor child by and through her mother Santee Williams, is and was at all
15 relevant times a resident of and domiciled in Nevada.

16 103. Evanston is informed and believes, and thereon alleges, that Defendant
17 L.O.W., a minor child by and through her mother Santee Williams, is and was at all
18 relevant times a resident of and domiciled in Nevada.

19 104. Evanston is informed and believes, and thereon alleges, that Defendant
20 Brandy Wren, an individual, is and was at all relevant times a resident of and domiciled
21 in Nevada.

22 105. Evanston is informed and believes, and thereon alleges, that Defendant
23 Christopher Brian Wren, an individual, is and was at all relevant times a resident of and
24 domiciled in Nevada.

25 106. Evanston is informed and believes, and thereon alleges, that Defendant
26 Emely Wren, an individual, is and was at all relevant times a resident of and domiciled
27 in Nevada.

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1 107. Evanston is informed and believes, and thereon alleges, that Defendant
2 C.N.W., a minor child by and through his Guardian Ad Litem Christopher Brian and
3 Emely Wren, is and was at all relevant times a resident of and domiciled in Nevada.

4 108. Evanston is informed and believes, and thereon alleges, that Defendant
5 Gracie Zimmerman, an individual, is and was at all relevant times a resident of and
6 domiciled in Nevada.

7 109. Evanston alleges that the true names and capacities, whether individual,
8 corporate, associate or otherwise, of the defendants, DOES 1 through 100, inclusive,
9 are unknown to Evanston at this time, which therefore files this complaint against said
10 defendants by such fictitious names and will request leave of court to amend this
11 complaint to show the true names and capacities when the same have been
12 ascertained. Evanston is informed and believes, and thereon alleges, that each of the
13 defendants designated herein as a DOE is responsible in some manner for the events
14 and happenings herein referred to.

15 **III. JURISDICTION AND VENUE**

16 110. This Court has jurisdiction of this interpleader action under the provisions
17 of 28 U.S.C. § 1335(a) because: (a) the amount in controversy exceeds \$500; and (2)
18 “minimal diversity” exists because two or more adverse claimants are citizens of
19 different states. This court is the proper venue for this action under 28 U.S.C. § 1337
20 because one or more of the claimants reside in this judicial district.

21 **IV. THE INSURANCE POLICY**

22 111. Evanston Insurance Company issued Commercial Excess Liability Policy
23 No. EZXS3023095, effective March 26, 2020 to March 26, 2021, to “Real Water, Inc.”
24 in Las Vegas, Nevada (the “Evanston Policy”). See the Evanston Policy attached
25 hereto as Exhibit A. The Evanston Policy contains limits of \$1,000,000 per occurrence
26 and in the aggregate. RWI, and any other person or organization qualifying as an
27 Insured under the “underlying insurance,” qualifies as an Insured under the Evanston
28 Policy.

112. The Evanston Policy states, in pertinent part, as follows:

2 **SECTION I. INSURING AGREEMENT**

3

4 1. We will pay those sums in excess of the limits shown in the

5 Schedule of Underlying Insurance that you become legally

6 obligated to pay as damages because of injury to which this

7 insurance applies, provided that the "underlying insurance"

8 also applies, or would apply but for the exhaustion of its

9 applicable Limits Of Insurance.

10

11 2. This policy is subject to the same terms, conditions,

12 agreements, exclusions and definitions as the "underlying

13 insurance", except:

14

15 a. We will have no obligation under this policy with

16 respect to any claim or suit that is settled without our

17 consent; and

18

19 b. With respect to any provisions to the contrary

20 contained in this policy.

21

22 3. The amount we will pay for damages shall not exceed the

23 Limits Of Insurance shown in the Declarations.

24

25 * * *

26 **SECTION III. LIMITS of INSURANCE**

27

28 1. The Limit Of Insurance shown in the Declarations as the Each

1 Occurrence Limit is the most we will pay for damages arising

2 out of any one occurrence or offense.

3

4 2. If a Limit Of Insurance is shown in the Declarations as the

5 Aggregate Limit, that amount will apply in the same manner

6 as the aggregate limits shown in the Schedule of Underlying

7 Insurance.

8

9 a. We will have no obligation under this policy with

10 respect to any claim or suit that is settled without our

11 consent; and

12

13 b. With respect to any provisions to the contrary

14 contained in this policy.

15

16 3. The amount we will pay for damages shall not exceed the

17 Limits Of Insurance shown in the Declarations.

18

* * *

SECTION V. DEFINITIONS

“Underlying insurance” means the policies or self-insurance shown in the Schedule of Underlying Insurance, any replacements thereof and other policies purchased or issued for newly acquired or formed organizations. Policies purchased or issued replacements of policies or self-insurance listed in the Schedule of Underlying Insurance or for newly acquired or formed organizations shall not be more restrictive than those listed in the Schedule of Underlying Insurance. All “underlying insurance” shall be maintained by you in accordance with the Maintenance of Underlying Insurance condition of this policy.

* * *

113. The Evanston Policy’s Schedule of Underlying Insurance states it is excess over a commercial general liability policy issued by Ohio Security Insurance Company (“Ohio Security”) during the Evanston Policy’s effective period.

114. In its coverage position letter, Evanston explained coverage under the Evanston Policy is not triggered until the limits of the underlying Ohio Security policy are exhausted.

115. Evanston is aware of Ohio Security’s Complaint in Interpleader filed with this Court on March 5, 2025, Case No. 2:25-cv-00399-RFB-EJY. Ohio Security, in its interpleader, alleges it and the other plaintiff insurers named in the Complaint will deposit their limits of liability into the Registry of the Court, which will effectively exhaust the insurance underlying the Evanston Policy. On this basis, Evanston will, concurrently with the filing of this Complaint in Intervention, or as soon thereafter as possible, move to deposit its \$1,000,000 limit into the Registry of the Court and file a Notice of Deposit with the Court.

V. JUDGMENTS AND VERDICTS AGAINST REAL WATER

116. As of the date of filing this Complaint, there are four verdicts entered against various Real Water Entities, among other defendants. Those verdicts were entered in the following actions: *Gallagher et al. v. Affinitylifestyles.com dba Real Water, et al.*, Case No. A-21-834485-B; *Hunwardsen et al. v. Affinitylifestyles.com dba Real Water, et al.*, Case No. A-21-831543-B; the consolidated *Wren et al. v.*

Affinitylifestyles.com dba Real Water, et al., Case No. A-21-831169-B and *Carrier et al. v. Affinitylifestyles.com dba Real Water, et al.*, Case No. A-21-831687-B; and *Hunter Brown v. Affinitylifestyles.com Inc. et al.*, Case No. A-21-831776-B.

117. The Tort Claimants allege they have obtained several judgments to date. For example, they allege that the total damages awarded in favor of the Plaintiffs in the Gallagher case “may exceed \$330,000,000.00 by the end of 2024.” See *Motion to Dismiss or, Alternatively, Motion to Abstain* (“Motion to Dismiss”), Adversary Proceeding, ECF No. 52 at ¶ 9:8-9. In the Hunter Brown matter, a jury delivered a verdict of \$5 Billion against Real Water. See Katelyn Newberg, Jury delivers \$5B Verdict in Case Against Las Vegas-based Water Company, Las Vegas Review Journal (October 23, 2024), <https://www.reviewjournal.com/local/local-las-vegas/las-vegas-jury-returns-massive-verdict-against-real-water-3195106/>.

118. The Tort Claimants further allege that these claims could have been resolved prior to trial “had the Initial Real Water Debtors’ insurers … accepted all the Gallagher Plaintiffs’ settlement offers which were all well within policy limits.” See Motion to Dismiss, Adversary Proceeding, ECF No. 52 at 9:10-12.

FIRST CLAIM FOR RELIEF

(Interpleader Of Insurance Policies)

119. Evanston repeats and re-alleges each and every allegation contained in Paragraphs 1 through 118, as though fully set forth herein.

120. Defendants identified in paragraphs 16 through 109 of this Complaint are Tort Claimants that have or are pursuing judgments against the Real Water Entities and, as a result, certain of the Tort Claimants are currently making competing demands for the proceeds of Evanston's Policy.

121. As evidenced by the judgments identified above, the limit of Evanston's insurance policy are, have been, and will be insufficient to satisfy all the competing demands for the policy proceeds.

122. Various Real Water Entities stipulated to liability in all the cases that have gone to verdict, and, as to Real Water Entities, the trials have focused on damages. It is anticipated that Real Water Entities will stipulate to liability in the remaining cases resulting in additional judgments.

123. Because the competing demands for the proceeds of Evanston's insurance policy exceed the liability limit, and because Evanston is and has been unable to determine which Tort Claimants should be entitled to all or some of the policy's proceeds, Evanston requests that this Court adjudge, declare, and decree:

- a. That an order be issued requiring Tort Claimants to interplead their claims for proceeds from Evanston's insurance policy;
- b. That an order be issued dismissing Evanston with prejudice from this action and discharging Evanston from any liability to Defendants with respect to Evanston's insurance policy or its proceeds;
- c. That an order be issued permanently enjoining and restraining each of the Defendants from instituting or prosecuting any action against Evanston in connection with Evanston's insurance policy and its proceeds; and
- d. Granting such other and further relief as the Court may deem just and proper.

PRAYER FOR RELIEF

WHEREFORE, Evanston prays for the following relief:

1. That an order be issued requiring Tort Claimants to interplead their claims for proceeds from Evanston's insurance policy;
2. That an order be issued dismissing Evanston with prejudice from this action and discharging Evanston from any liability to Defendants with respect to Evanston's insurance policy or its proceeds;

- 1 3. That an order be issued permanently enjoining and restraining each of
- 2 the Defendants from instituting or prosecuting any action against
- 3 Evanston in connection with Evanston's insurance policy and its
- 4 proceeds; and
- 5 4. Granting such other and further relief as the Court may deem just and
- 6 proper.

7 Dated: April 14, 2025

NICOLAIDES FINK THORPE
MICHAELIDES SULLIVAN LLP

8 By: /s/ Jeffrey N. Labovitch

9 Jeffrey N. Labovitch

10 Attorney for Plaintiff

11 EVANSTON INSURANCE COMPANY

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